

## **Explanatory text to the 2017/18 LVH Accounts**

A number of changes have been made to the presentation of the accounts following constructive comments made at last year's AGM. These are:

### **1. Definition and use of the Property Refurbishment Fund**

To distinguish property refurbishment from maintenance, the Property Maintenance Fund has been renamed the Property Refurbishment Fund which is to be utilised for all major refurbishment work on the hall. There is also a change in the way in which this account is used; for example in last year's accounts the cost of the new floor of £7,089.98 was expensed to the P&L account under repairs and maintenance and in so doing made the Oct 2017 year appear as a loss, whilst at the same time no funds from the Property Maintenance Fund were utilised for the floor replacement. It is suggested that in future:

- Any major property refurbishment is not expensed in the P&L account, nor is there an annual transfer to a maintenance fund on the P&L account
- Net income on the P&L account is shown before major property refurbishment costs
- The reserves of the business are now split out on the balance sheet between general reserves, property refurbishment fund and beer fund. Any transfers to, and expenditure from, these funds will be shown in the notes to the accounts.

### **2. Amount held in the Property Refurbishment Fund**

For this year there is a small transfer from general reserves to top up the property refurbishment fund to round it up to £25,000. The committee will aim to carry out a detailed review of what major refurbishment, if any, is needed on the hall over the course of this year.

### **3. Donations**

In the past, any donations in the year were not previously shown in income but held on the balance sheet as liabilities for a year. Where there are no strings attached to a donation then they can be taken direct to income and do not represent a liability, so this has been changed for both 2017 and 2018. The only donation which shows in the balance sheet now is the one for the purchase of beer where it was requested that the profits for this were re-invested in future beer purchases.

### **4. Stock of Beer & Wine**

As the Village Hall now handles quite a lot of alcohol (having obtained a licence during 2018) then we should now declare the stock of beer & wine we are holding for future sale and so this is now included in the accounts with effect from 2018.

### **5. Equipment**

There is a lot of equipment owned by the Village Hall which does not show in the accounts, whilst this isn't a problem, note 5 has been added to the accounts to explain that a list of equipment will be kept up to date for insurance purposes.

Jane Reeves

Treasurer  
December 2018